

**ERIE COUNTY SEWER DISTRICT NO. 8
BOARD OF MANAGERS MEETING
JUNE 23, 2015
AURORA TOWN HALL**

MEMBERS PRESENT: Susan Friess, Matthew Hoeh, Garry Pecak, and Bryan Smith

OTHERS PRESENT: Glenn Absolom, Joseph Fiegl, Laurie, Gier, and Kevin Kaminski

ITEM NO. 1 – CALL MEETING TO ORDER

Ms. Friess opened the meeting at 9:31 a.m.

ITEM NO. 2 – APPROVAL OF MINUTES OF PREVIOUS MEETING

On a motion by Ms. Friess, and seconded by Mr. Hoeh, the Board voted to approve the minutes from the February 10, 2015 meeting. The motion carried 4-0.

ITEM NO. 3 – ITEMS FROM THE PUBLIC

There were no items from the public

ITEM NO. 4 – NEW BUSINESS

a. Presentation and Approval of 2016 Budget

i. Proposed 2016 Budget (Handout)

Mr. Fiegl presented the proposed ECSD No. 8 Budget to the Board. There was a typographical error on the cover memorandum: overall, the 2016 ECSD No. 8 tax levy is projected to increase approximately \$18,600, not \$24,000.

ECSD No. 8 is part of the combined ECSD Nos. 3 and 8 (Central Region) budget, and it's based upon a Memorandum of Understanding dated 6/17/08. The Memorandum of Understanding outlines which costs or expenses are shared items and which are exclusive to individual districts and their respective budgets. To summarize:

- Costs such as supplies, equipment, "District-wide" expenses, etc. are shared based upon the ratio of units in each sewer district and the total units in the ECSD Nos. 3 and 8 service areas.
- Debt service, revenues, fund balance, and capital reserve allocations are exclusive to each sewer district .

For this year, Central Region shares in approximately 39.7% of the Division-wide expenses. Overall, within Central Region ECSD No. 8 is responsible for approximately 9% of ECSD Nos. 3 and 8 costs, except for Professional Services, debt service, capital reserves, and personnel.

Item 2

Reviewing the overall summary for ECSD No. 8, total appropriations are projected to increase approximately \$104,500 when compared to 2015. The major component of this increase is an additional \$100,000 allocated to capital reserves. Offsetting the appropriation increase is approximately \$94,000 in fund allocation in the District's revenues when compared to the 2015 budget. Observing the recent trends on amount available and amount used, it is believed that this allocation of fund balance is prudent.

The typical ratepayer (single family home) in ECSD No. 8 will pay essentially the same when compared to the 2015 budget.

Fringe benefits for employees are being calculated at 69.5% in this budget – same as the 2015 budget. Actual numbers are not available at this time, but this is a conservative estimate. There are factors outside the County's control that influence the rate. The County's Administration has attempted to address the rising fringe benefit costs with recent Union Contract proposals.

The 2016 equipment line items represent over \$610,000 of the Central Region budget. The major items include various treatment plant equipment replacements throughout the Region, shared equipment purchases to be used across all Erie County Sewer Districts, replacement of four vehicles, and Central Region's standard unanticipated replacement items.

Mr. Fiegl explained that the budgets are developed conservatively, with the understanding that monies left over at year end are transferred to the fund balance and utilized as revenue to offset future rate impacts. Items listed in the budget as "DSM" are expenses for the Downtown office. Again, Central Region contributed 39.7% of these Downtown office expenses.

Mr. Fiegl highlighted certain budget items, such as fuel, various changes in Maintenance and Repair supply codes, the \$50,000 increase in I&I repair, breakdown in capital reserve allocation (\$300,000 total for ECSD No. 8), utility costs, and personnel costs.

Fund balance usage as an offsetting revenue is budgeted at 47%. The available district fund balance at 12/31/14 represents approximately 3.7 months of 2016 budgeted appropriations. This is an item to monitor.

It is recommended for the 2016 Budget that the flat charge be increased to \$50.00 per unit, footage charges remain at \$1.50/foot, and the water usage charge remain at \$3.50/1,000 gallons.

Mr. Fiegl's final comments related to the 2% Tax Cap. As the sewer district levies are part of the County's overall tax cap calculation, there is additional coordination required prior to finalization. If any changes are necessary, the Board of Managers will be informed.

On a motion by Mr. Smith, seconded by Mr. Hoeh, the Board voted unanimously to approve the ECSD No. 8 2016 Budget. The motion carried 4-0.

Mr. Fiegl explained the next steps with the Combined Budget meeting. If any changes to the Central Region budget are proposed by the ECSD No. 3 Board of Managers that impact the ECSD

No. 8 portion of the Central Region budget, said changes will be presented and discussed at the July 2015 ECSD No. 8 Board of Managers meeting.

ii. 271 Resolution (Handout)

Mr. Fiegl presented to the ECSD No. 8 Board of Managers the Resolution that approximately 63%, 25% and 12% of the total sanitary sewer tax levy of \$1,335,376.00 shall be raised from the assessed value, footage and flat charges, respectively.

On a motion by Mr. Smith, seconded by Ms. Friess, the Board voted to approve the 271 Resolution. The motion carried 4-0.

ITEM NO. 5 – OLD BUSINESS

There was no old business to discuss.

ITEM NO. 6 - MISCELLANEOUS / INFORMATIONAL ITEMS

a. Payments

There were no payments at this time.

b. Operational Report

Mr. Kaminski reported that the No. 2 aeration/clarifier tank was down for a couple of weeks for maintenance, but is now back on line. The No. 1 tank will be taken down for maintenance later this year.

Mr. Absolom reported to the Board that the Division's sewer televising crew has been performing work on Saturday mornings to analyze certain sewer trouble spots in the district.

c. Pretreatment Report

Mr. Absolom explained that Diversified Controls & Systems, 645 Person Street, has not yet submitted mandated pretreatment reports to the USEPA, and that a Consent Order has been issued by USEPA to force them to comply.

ECSD No. 8 does not have an approved Pretreatment Program, therefore oversight authority defaults to the USEPA. The district is commencing a project this summer with an outside consultant to develop a program under which ECSD No. 8 would become the oversight authority for businesses within its boundaries. The County has attempted to assist this company in the interim.

d. Construction Report

Mr. Pecak stated that the Cured-in-Place Pipe Lining will resume later in the year.

e. East Aurora Zoning Board of Appeals – 123 Grey St (Handout)

A notice of Public Hearing held on April 16, 2015 was distributed to the Board regarding the application of Wilcox Brothers Sign Co, aaf TJ MAXX to install an internally lit sign with a building face signage more than 8% at 123 Grey St. Mr. Pecak stated that this notice was sent to the Division as the property in question is within 300 feet of the treatment plant property. The sign will have no impact on the Division and is out of the sight line from the plant.

On a motion by Mr. Hoeh, seconded by Mr. Smith, the Board voted to receive and file the informational items on the agenda. The motion carried 4-0.

In the event that the entire Budget is passed at the Combined meeting on June 24, 2015, Mr. Smith made a motion, seconded by Mr. Hoeh, to cancel the July 14, 2015 District 8 meeting.

ITEM NO. 7 – ADJOURNMENT & NEXT MEETING

On a motion by Ms. Friess, seconded by Mr. Smith, the meeting was adjourned at 9:56 a.m. The motion carried 4-0.

Respectfully submitted,



Garry Pecak, P.E., Secretary
ECSD No. 8 Board of Managers

Motion to approve minutes of June 23, 2015

Moved By: _____

Seconded By: _____

Approved/Disapproved: _____

Date: _____

Signed: _____